

1 A RESOLUTION APPROVING THE
2 REIMBURSEMENT OF FUNDS ADVANCED FOR
3 CREDIT PROJECTS WITH PROCEEDS FROM
4 THE CREDIT BOND ISSUE.

5 WHEREAS, the City of Fort Wayne anticipates
6 capital expenditure projects to be funded by the CREDIT
7 Bond Issue; and

8 WHEREAS, the City will begin to incur costs for
9 the projects that later will be reimbursed with proceeds
10 from the bond issue; and

11 WHEREAS, it is the Federal Government's (IRS)
12 requirement that City Council pass a reimbursement
13 resolution before any money is advanced from a City
14 account which is later to be reimbursed with bond
15 proceeds; and

16 WHEREAS, the City of Fort Wayne, Indiana,
17 reasonably expects to reimburse the following
18 expenditures with up to \$200,000.00 of proceeds of debt
19 to be incurred by the City:

20 SEE EXHIBIT "A," ATTACHED HERETO
21 AND MADE A PART HEREOF.

22 WHEREAS, it is anticipated that the total
23 amount of said bond issue will be \$12,500,000.00; and

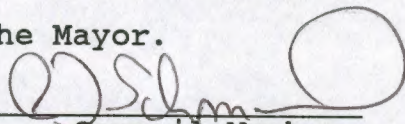
24 WHEREAS, this statement of intention to
25 reimburse is a declaration of official intent under
26 Treas. Reg. §1.103-18(f).

27 NOW, THEREFORE, BE IT RESOLVED BY THE COMMON
28 COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

29 SECTION 1. That the Resolution to approve the
30 advanced costs incurred for projects that will be
31 reimbursed with the proceeds from the CREDIT Bond Issue is
32 hereby approved and ratified.


SOUTHWORTH CO. U.S.A.
25% COTTON FIBER

SECTION 2. That this Resolution shall be in full force and effect from and after its passage and any and all necessary approval by the Mayor.



Council Member

APPROVED AS TO FORM
AND LEGALITY



J. TIMOTHY MCCAULAY, CITY ATTORNEY

EXHIBIT "A"

TO RESOLUTION NO. R-_____

The City of Fort Wayne, Indiana reasonably expects to reimburse the following expenditures with up to \$200,000.00 of proceeds of debt to be incurred by the City:

Transportation improvements to include:

Upgrading traffic corridor capacity, modernization of traffic control system, resurfacing/restoration/rehabilitation of existing roadways, neighborhood capital improvements and overall safety enhancement.

Expenditures expected to be incurred by City preparing for the construction of the transportation improvements may come from:

Technical Services (surveying, pavement analysis, engineering drawings)

Right-of-Way acquisition

Consulting services

It is anticipated that the total amount of said bond issue will be \$12,500,000.00.

This statement of intention to reimburse is a declaration of official intent under Treas. Reg. §1.103-18(f).

Read the first time in full and on motion by Lunsey,
and duly adopted, read the second time by title and referred to the
Committee on Finance (and the City Plan Commission
for recommendation) and Public Hearing to be held after due legal notice, at
the Common Council Conference Room 128, City-County Building, Fort
Wayne,, Indiana, on June, the 19 day of
June, 1993, at 5:25 o'clock
M., E.S.T.

DATED:

5-25-93

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Schmidt,
and duly adopted, placed on its passage. PASSED 10-31-93
by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	<u>8</u>			<u>1</u>
BRADBURY	<u>✓</u>			
EDMONDS				<u>✓</u>
GIAQUINTA	<u>✓</u>			
HENRY	<u>✓</u>			
LONG	<u>✓</u>			
LUNSEY	<u>✓</u>			
RAVINE	<u>✓</u>			
SCHMIDT	<u>✓</u>			
TALARICO	<u>✓</u>			

DATED:

6-8-93

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne,
Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL)
(SPECIAL) (ZONING) ORDINANCE RESOLUTION NO. Q-31-93
on the 8th day of June, 1993

ATTEST:

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

(SEAL)
Mark P. GiaQuinta
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on
the 9th day of June, 1993,
at the hour of 1:30 o'clock P., M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 10th day of June,
1993, at the hour of 11:40 o'clock A M., E.S.T.

PAUL HELMKE
PAUL HELMKE, MAYOR

DIGEST SHEET

TITLE OF ORDINANCE RESOLUTION

DEPARTMENT REQUESTING ORDINANCE CONTROLLER'S OFFICE

SYNOPSIS OF ORDINANCE RESOLUTION APPROVES ADVANCED COSTS THAT WILL
BE INCURRED FOR CAPITAL EXPENDITURE PROJECTS FUNDED BY THE CREDIT
BOND ISSUE AND LATER REIMBURSED FROM THE PROCEEDS OF THE BOND
ISSUE.

Op-93-05-24.

EFFECT OF PASSAGE MONEY FOR PROJECTS CAN BE ADVANCED.

EFFECT OF NON-PASSAGE MONEY CANNOT BE ADVANCED.

MONEY INVOLVED (DIRECT COSTS, EXPENDITURES, SAVINGS) _____

ASSIGNED TO COMMITTEE (PRESIDENT) _____

MEMORANDUM
LAW DEPARTMENT

TO: MEMBERS OF COMMON COUNCIL
FROM: J. TIMOTHY MCCAULAY, CORPORATION COUNSEL
DATE: May 20, 1993
SUBJECT: CEDIT FINANCING

Several Capital Expenditure Projects for the City of Fort Wayne will be funded from the CEDIT Bond Issue. As the City begins to incur costs for the projects, certain funds will need to be advanced. These advanced costs will later be reimbursed with proceeds of the bond issue.

Treas. Reg. §1.103-18(f) (copy attached) requires that the Common Council pass a resolution approving the reimbursement of these funds from the bond issue before any money is advanced from a City account for the projects.

**TREAS. REG. §1.103-18 SUMMARY
(REIMBURSEMENT BONDS)**

Reimbursement allocation is treated as an expenditure of bond proceeds (and therefore the proceeds are no longer subject to yield restrictions, rebate, etc.) if the following criteria are met.

I. Official Intent Requirement.

- A. issuer declares, when or before the expenditure is paid, reasonable intention to reimburse with borrowing (see form attached), unless the expenditure was not reasonably foreseeable 30 days before payment, in which case declaration may be made up to 45 days after payment; BUT, note that IC 5-1-14-6(c) requires that intent be established at the time the cost is incurred
- B. declaration must be reasonably available for public inspection
 - 1. within 30 days after date of declaration,
 - 2. at main administrative office or customary location of records, and
 - 3. remain available on a reasonable basis until reimbursement bonds are issued

OR (in lieu of 1, 2 and 3)

 - 4. comply with state or local law governing public records
- C. declaration must be consistent with issuer's budgetary and financial circumstances (i.e., no other funds are set aside on a long-term basis)
- D. issuer must reasonably expect to carry out the reimbursement (e.g., blanket declarations made to preserve the option of reimbursing are not satisfactory; pattern of failing to reimburse after making declarations, absent extraordinary circumstances, indicates lack of reasonable expectation)
- E. declaration not necessary for preliminary expenditures of the project, up to 20% of the issue price of that portion of issue that finances the project as to which the preliminary expenses were incurred
 - 1. includes architectural, engineering, surveying, soil testing and other similar costs (still subject

to "capital expenditure" requirement), as well as allocable costs of issuing the reimbursement bonds

2. does not include land acquisition, site preparation and similar costs incident to commencement of construction

II. Requirements for Manner and Timing of Reimbursement Allocation.

- A.
 1. entry on books or records of issuer relating to the bond which identifies an actual prior expenditure or fund/account from which expenditure was paid
 2. as a result of the allocation, the bond proceeds must be relieved of restrictions under the relevant legal documents and state law that apply to unspent bond proceeds
- B. make the allocation
 1. not earlier than date expenditure is paid, and
 2. not later than 1 year after the later of (i) date expenditure is paid, or (ii) date the property is placed in service

III. Capital Expenditure Requirement. The expenditures to be reimbursed must be capital expenditures. The term "capital expenditures" is defined as anything that may be capitalized under general federal income tax principles.

- A. political subdivisions are not subject to federal income tax, and this determination would be made as for a corporation subject to taxation under subchapter C of Chapter 1 of the Internal Revenue Code
- B. includes costs incurred to acquire, construct or improve land, buildings and equipment; also, allocable costs of issuing the bonds are deemed to be capital expenditures
- C. does not include expenditures for items of current operating expense

IV. General Applicability of the Rules. These rules apply to bonds that are not private activity bonds, and those that are private activity bonds but are qualified 501(c)(3) bonds or are used to finance a facility owned by a governmental unit. Special rules apply to other types of bonds.

REGARDING "COIT" AND "CEDIT TAX

BEGINNING -- JULY 1, 1993 COIT TAX IS .005%

BEGINNING -- JULY 1, 1993 CEDIT TAX IS .002%

BEGINNING -- JULY 1, 1994 COIT TAX IS .006%

BEGINNING -- JULY 1, 1994 CEDIT TAX IS .002%

THERE SHALL BE NO INCREASE IN EITHER TAX AS OF JULY 1994 -- IT
SHALL REMAIN AT THE ABOVE RATE -- NOT UNLESS THE ADMINISTRATION
DECIDES TO INCREASE THE TAX RATE

BILL NO. R-93-05-24

REPORT OF THE COMMITTEE ON
FINANCE

ARCHIE L. LUNSEY & DONALD J. SCHMIDT - CO-CHAIRPERSONS
HENRY, EDMONDS, LONG

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS
REFERRED AN (ORDINANCE) (RESOLUTION) APPROVING THE REIMBURSEMENT
OF FUNDS ADVANCED FOR CREDIT PROJECTS WITH PROCEEDS FROM THE
CREDIT BOND ISSUE

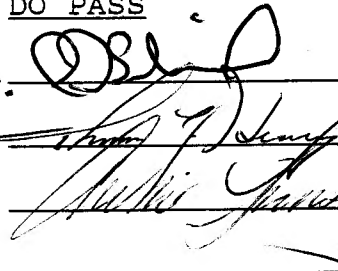
HAVE HAD SAID (ORDINANCE) (RESOLUTION) UNDER CONSIDERATION
AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID
(ORDINANCE) (RESOLUTION)

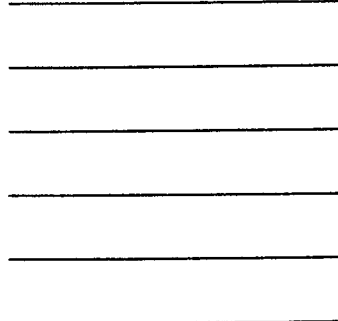
DO PASS

DO NOT PASS

ABSTAIN

NO REC





DATED: 6-8-93,

Sandra E. Kennedy
City Clerk